

AB 1007 – ALTERNATIVE FUELS

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IN BRIEF

AB 1007 would require the State of California to develop a strategy for diversifying its transportation fuel supply through increased use of alternative fuels in order to reduce oil dependency and air pollution. It would require the California Air Resources Board, in consultation with other state agencies, to rate alternative fuels based on their effectiveness in reducing petroleum use and global warming pollution, to set goals for alternative use that maximize the environmental, economic and public health benefits, and develop a comprehensive strategy to promote the use of alternative fuels in California.

THE ISSUE

Secure, reliable and affordable sources of clean transportation fuels is critical to ensure a strong economy and a healthy environment.

The State Energy Resources Conservation and Development Commission and the State Air Resources Board have recommended in their report to the Legislature, “Reducing California's Petroleum Dependence” in August 2003, that the state adopt a goal of 20 percent non-petroleum fuel use in the year 2020 and 30 percent in the year 2030. This bill puts California on a path to meet these goals.

The state goal is driven by the need to protect our economy and environment. California faces a future of increasing petroleum dependence and price volatility.

The state's growing population is driving gasoline demand but California's refinery and delivery infrastructure are unable to keep up. Today, small disruptions in refining can cause gasoline prices to spike. Making up the lost supply requires importing gasoline that is dirtier than California's clean gas standards. Expanding California's refining and delivery systems is untenable because it threatens environmental quality and public health.

Frequent and rapid changes in California petroleum prices are also driven by foreign oil producers. California is a net importer of oil and grows increasingly dependent on supplies from Middle East countries that are often hostile to the United States. Prices of foreign oil will grow increasingly unpredictable as China and other developing nations compete for the same supplies.

In addition, the production, marketing, and use of petroleum fuels in California cause significant degradation of public health and environmental quality due to releases of air and water pollutants. In California, motor vehicles running on gasoline and diesel are principal emitters of the state's global warming pollution, air toxics, air criteria pollutants and pollutants that seep into our water supplies. However, today drivers continue to rely almost entirely on petroleum to fuel their cars and trucks.

Clean alternative fuels have the potential to considerably reduce the environmental impacts of petroleum use, and increasing alternative fuel use is an important strategy for the state to attain its air and water quality goals.

EXISTING LAW

The State Energy Resources Conservation and Development Commission and the State Air Resources Board have recommended in their report to the Legislature, “Reducing California's Petroleum Dependence” in August 2003, that the state adopt a goal of 20 percent non-petroleum fuel use in the year 2020 and 30 percent in the year 2030. This bill puts California on a path to meet these goals.

THE SOLUTION

AB 1007 requires the California Air Resources Board to develop by January 1, 2007 a strategy for increasing the use of alternative fuels to reduce air pollution from motor vehicles and reduce the state's dependence on petroleum.

The bill directs the Air Resources Board to evaluate alternative fuels and rate them according to their ability to (1) reduce harmful air and water pollutants and (2) reduce oil consumption. All motor vehicle fuels must be measured on the basis of their merits; full lifecycle assessments are necessary to understand the environmental and public health impacts of substituting alternative fuels for petroleum.

The Air Resource Board shall develop a plan for promoting those fuels. The plan shall set goals for increased alternative fuel use that minimize costs to the state and maximize economic benefits of in-state alternative fuel production.

The alternative fuel plan established by this bill also includes policy recommendations for enhancing California's alternative fuels fueling infrastructure to ensure fuel access to drivers of alternative fuel vehicles.

SUPPORT

Natural Resources Defense Council (sponsor)
Environmental Entrepreneurs (sponsor)
California Natural Gas Vehicle Coalition
California League of Conservation Voters
Western Propane Gas Association
California Association of Councils of Government
Clean Power Campaign
California Electric Transportation Coalition

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